MISCELLANEOUS

	Merchandise Trade Balance		Leading Indicators		Estimated GNP		Estimated GNP (1972 $)		IVA (annual rate)	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
January 1985	-10.29	-10.29	166.4	166.3	3814	3808	1671	1668	2.3	1.0
February	-11.45	-11.45	167.5	167.7	3814	3805	1666	1662	0.8	0.1
March	-11.50	-11.05	168.2	167.6	3832	3819	1667	1660	-0.3	-2.8
April	-11.15	-11.85	168.5	166.6	3869	3842	1678	1669	1.7	-2.6
May	-10.81	-12.67	169.0	167.8	3903	3850	1687	1670	6.8	0.2
June	-10.52	-12.16*	168.8	168.5*	3932	3868	1694	1674	4.5	2.6
July	-10.68	-12.38	169.0	169.2	3956	3891	1699	1679	2.6	3.4
August	-11.08	-12.18	168.4	169.6	3977	3912	1703	1682	2.3	3.9
September	-11.53	-12.09	168.0	169.3	3999	3935	1707	1688	2.0	2.0
October	-11.69	-12.31	167.7	169.0	4022	3961	1710	1692	5.3	0.8
November	-11.24	-11.96	168.2	168.4	4045	3987	1713	1698	8.8	2.6
December	-11.13	-11.73	168.6	168.6	4064	4012	1714	1703	8.9	3.9
January 1986	-11.25	-11.98	169.1	168.9	4083	4035	1716	1706	10.6	3.5
February	-11.50	-12.04	169.5	169.3	4102	4056	1719	1708	12.9	5.3
March	-11.11	-11.73	169.5	168.8	4122	4075	1722	1709	13.5	5.7
April	-11.26	-11.59	169.2	168.3	4159	4097	1731	1712	14.2	6.8
May	-11.05	-11.58	168.8	167.9	4185	4118	1736	1714	14.9	7.4
June	-10.98	-11.41	168.5	167.5	4211	4132	1741	1714	13.8	7.2

Fore. = May Forecast
C.E. = Current Expectations
* = This item and those beyond it are projections.

FINANCIAL MARKETS

	Monetary Base		M1		M2		Federal Funds		T-Bills (6 Mos.)	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
January 1985	218.4	218.2	563.0	562.7	2400.4	2398.9	8.35	8.35	8.00	8.00
February	219.3	219.2	569.2	569.4	2420.6	2421.0	8.50	8.50	8.39	8.39
March	222.0	221.7	571.9	572.1	2427.6	2429.2	8.58	8.58	8.90	8.90
April	223.1	221.9	574.6	574.9	2435.7	2427.4	8.33	8.27	8.46	8.23
May	224.0	223.7	577.9	581.6	2457.3	2444.6	8.45	7.97	8.27	7.65
June	224.9	227.4	581.3	591.1	2479.5	2472.8	8.43	7.53	8.25	7.09
July	226.2	228.3*	584.7	597.2*	2492.6	2490.5*	8.72	7.82*	8.72	7.25*
August	227.4	229.0	587.4	598.7	2509.2	2506.8	9.25	7.93	9.04	7.42
September	228.7	229.8	589.9	599.8	2526.6	2519.3	9.83	8.06	9.23	7.64
October	230.0	230.7	592.3	602.1	2543.1	2536.9	9.65	8.23	9.29	7.79
November	231.1	231.8	595.5	604.8	2559.7	2554.7	9.68	8.42	9.25	7.83
December	232.2	232.9	598.8	606.8	2575.8	2570.0	9.52	8.53	9.22	7.94
January 1986	233.4	234.0	601.2	609.4	2592.7	2588.0	9.29	8.43	8.95	7.75
February	234.5	235.1	605.7	612.3	2610.6	2606.1	9.10	8.19	8.72	7.44
March	235.6	236.3	609.9	615.4	2628.8	2624.3	9.06	8.07	8.61	7.26
April	237.0	236.9	613.8	616.8	2647.9	2637.4	9.21	8.15	8.85	7.32
May	238.8	238.3	615.7	619.4	2664.4	2655.9	9.35	7.96	8.89	7.30
June	240.3	239.4	617.5	622.0	2681.1	2674.5	9.43	7.67	8.95	7.09

	Aaa (Seasoned)		Municipals (Bond Buyer)		(3 Month) Commercial Paper		90 Day CD's		Prime Rate	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
January 1985	12.08	12.08	9.51	9.51	8.03	8.03	8.14	8.14	10.62	10.62
February	12.13	12.13	9.53	9.65	8.54	8.54	8.69	8.69	10.50	10.50
March	11.96	12.56	9.69	9.77	8.90	8.90	9.07	9.07	10.50	10.50
April	11.92	12.23	9.53	9.42	8.42	8.37	8.63	8.49	10.50	10.50
May	12.15	11.72	9.72	8.93	8.36	7.83	8.49	7.92	10.50	10.31
June	12.37	10.94	9.92	8.59*	8.38	7.35	8.56	7.44	10.50	9.78
July	12.48	10.86*	10.05	8.80	8.81	7.67*	8.96	7.85*	10.86	9.50*
August	12.60	10.99	10.14	8.92	9.32	7.85	9.47	8.04	11.27	9.50
September	12.68	11.05	10.25	8.93	9.85	8.05	9.98	8.23	11.50	9.50
October	12.72	11.26	10.21	9.18	9.62	8.27	9.76	8.44	11.50	9.72
November	12.70	11.35	10.16	9.26	9.60	8.46	9.75	8.63	11.50	10.00
December	12.68	11.31	10.09	9.21	9.47	8.51	9.59	8.72	11.50	10.00
January 1986	12.49	11.17	9.84	9.06	9.15	8.37	9.32	8.54	11.50	10.00
February	12.42	10.96	9.70	8.87	9.10	8.08	9.26	8.26	11.23	10.00
March	12.36	10.81	9.59	8.76	9.03	7.93	9.20	8.14	11.00	10.00
April	12.47	10.86	9.76	8.85	9.18	8.04	9.35	8.27	11.00	10.00
May	12.51	10.78	9.82	8.74	9.36	7.92	9.54	8.15	11.00	10.00
June	12.55	10.66	9.89	8.53	9.45	7.56	9.68	7.75	10.00	10.00

Fore. = May Forecast
C.E. = Current Expectations
* = This item and those beyond it are projections.

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MONTHLY PROJECTIONS
AUGUST 1985

Dr. Donald Ratajczak, Director

For Release: September 6, 1985

AUTOMOBILES AID PRODUCTION REBOUND IN AUGUST

Two sources of information became available after the data had been accumulated for our latest anticipations. Both were related, at least partially, to the automobile industry, and both showed significantly greater strength than had been anticipated. As a result, the economy will rebound more sharply in the third quarter and continue strong production gains through the fourth quarter of 1985. Our tentative projections for the two quarters are an increase of 3.6% in the summer months and 4.1% in the fall.

The first and most far-reaching report was the Employment Situation release for August. This report showed a 288,000 increase in payroll employment and the first meaningful increase in manufacturing employment since the beginning of this year. Employment gains were widespread, with the diffusion index showing gains for 59.7% of all industries. At the same time, wage pressures remained subdued, as the hourly earnings index showed no increase.

The auto industry enters into the Employment Situation as a result of a sharp 6.7% increase in hours worked and a 24,000 addition to payrolls. These increases are caused by fewer assembly plants being closed for model changeover during the summer months than in the past, when the seasonal adjustment factors were developed. As a result, production after seasonal adjustment is being shifted to the third quarter at the expense of the winter and spring. This will also have an influence upon GNP. Nevertheless, employment was strong even after adjustment for these special automobile seasonal problems. The manufacturing workweek increased along with the workweek for all private nonfarm workers. Economic reports will be especially strong for August. Industrial production will be up at least 0.6%, personal income probably will increase 0.7%, while durable manufacturing should show a significant rebound in shipments. In addition, employment gains in the machinery industries suggest that decay in that sector is nearing an end. Indeed, the employment gains suggest that orders are beginning to build.

The second report showing significant August strength was automobile sales. As a result of financing incentives, domestic automobiles sales surged to a more than 13 million annual rate in the last ten days. This caused domestic sales to rise by 9.6 million at annual rates. Imports held their own, showing a 2.8

million sales gain. By the middle of September, this rapid sales growth will liquidate most of the 1985 model cars carrying incentives. Sales should then slow abruptly during the fourth quarter. To the extent that the rapid incentive-induced sales generate increased production, economic activity will be stronger than originally projected. To a larger extent, however, sales growth in August and September will lead to depleted inventory and no significant changes from already robust production schedules for the fourth quarter.

The surge in consumer activity during the latter part of August helped to sustain unusually rapid money growth. The Federal Reserve, not yet seeing any signs of increasing activity, continued to accommodate these intensifying expenditures patterns. Now that the employment report for August suggests that economic activity is rebounding, and an extension of the workweek suggests that employment will continue to grow robustly for the next few months, the Federal Reserve probably will be less reluctant to restrain money growth. This will probably lead to increasing interest rates over the next six months along with a gradual slowing in the growth of the money stock. This increase in interest rates is not expected to be dramatic, but the downward trend in rates almost certainly will be reversed until the robust production schedules in the automobile industry once again are reduced early in 1986.

More rapid economic growth than originally projected probably will coincide with a more significant rebound in profitability than had been assumed. Operating profits after taxes should rebound by more than $5 billion in the third quarter and show a further $7 billion advance in the fall. These increases should be more than sufficient to offset the adverse effects from rising rates of interest. Therefore, equity values probably will challenge 1400 early in the fourth quarter. With interest rates and operating profits after tax liabilities both declining in 1986, a downward drifting equity market is likely.

Quarterly Profile of GNP

	1985-2	1985-3	1985-4	1986-1	1986-2	1986-3
Real:	2.0	3.6	4.1	2.9	1.0	1.2
Price:	2.7	3.0	3.9	4.3	4.5	4.5
Nominal:	4.7	6.7	8.2	7.3	5.6	5.7

Monthly Statistical Highlights for August 1985

Personal income +0.7%; savings rate 3.2%; personal consumption +1.0%; retail sales +1.7%; housing starts +2.6%; housing permits -0.6%; construction expenditures +0.3%; business inventories +0.1%; orders for durable goods +1.6%; orders for nondefense capital goods +2.0%; industrial production +0.6%; CPI +0.1%; PPI -0.1%; consumption deflator +0.1%; leading indicators +0.6%; real GNP +4.4%; M1 +17.8%; M2 +10.5%.

Monthly Statistical Highlights for September 1985

Payroll employment +235,000; index of hours worked +0.3%; household employment +352,000; civilian unemployment rate 7.1%; personal income +0.5%; savings rate 3.5%; personal consumption -0.2%; retail sales -0.8%; auto sales 11.5 million; housing starts +2.4%; housing permits -2.0%; construction expenditures +0.9%; business inventories +0.2%; orders for durable goods -2.7%; orders for nondefense capital goods +1.3%; industrial production +0.2%; CPI +0.2%; PPI -0.1%; consumption deflator +0.2%; leading indicators +0.2%; real GNP +4.4%; M1 +9.5%; M2 +8.6%.

COMMENTARY

Employment Situation - Despite seasonal distortions in motor vehicles, the payroll employment increase for August cannot be dismissed as a statistical abberation. Primary metals showed an employment decline because of a strike at one large producer while the United Airlines strike occurred during the survey week and impacted the transportation services sector. Now that the United strike is settled, a significant increase in payrolls is expected. While a portion of the increased workweek is the result of distortions in motor vehicles, the workweek appears to have increased in most industries. Only the apparel industry continues to feel the impact of import penetration. However, a more correct interpretation of the performance would be that import penetration remains significant but inventory liquidations that developed in the early months of 1985 have now been completed. If so, a burst in production activity should be anticipated in the next several months. After that time, however, activity should once again show minimal gains.

A significant spurt is now expected in both the employment and labor force statistics for September as a result of a return to more normal participation rates for teenagers and young adults. Apparently, many young adults went to Europe rather than the labor markets. As a result, seasonal factors showed a smaller increase in employment and the labor force than was warranted. In addition, this shrinkage of a part of the labor force that has high unemployment probably added to the decline in the unemployment rate. We are, therefore, anticipating a slight rebound in unemployment in September although the employment report should remain relatively strong.

Personal Income & Outlays - Personal income was stronger than anticipated in July as a result of a retroactive payment for Social Security recipients. The absence of this payment in August should cause transfer payments to remain flat in that month. However, a favorable shift in the composition of payroll employment to high wage earning industries and a significant expansion of the number of people receiving wages should cause wage earnings to expand by nearly one percent. This should generate personal income gains of nearly 0.7%. Interest income, which has been dropping sharply through the spring should show a modest firming in August. On the other hand, farm income will continue to deteriorate.

Consumption & Retail Trade - Automobile sales during the last 10 days of August were unusually strong as a result of special financing incentives. We now believe that incentive-bearing automobiles will be less available in September and that sales will return to more normal levels in October. However, the value

of auto sales in August apparently were up by more than 10%. They should retrench by 5% in September and then another 5% in October. This will result in a sharp 1.7% increase in retail sales during August followed by a 0.7% retrenchment in September and another 0.3% retrenchment in October. While these auto sales appear to have a significant impact on economic activity, they actually are altering the inventory holding of the industry. Production schedules in both the third and fourth quarter are not expected to be materially changed by this sales surge. Therefore, the actual impact upon GNP, while stimulative, should be slight.

Aside from automobile sales, nondurables should show minimal growth in August and September as a result of actual price declines. At the same time, more rapid growth is expected in services consumption following a slowing in the July report.

Construction - Now that mortgage rates no longer are declining, housing starts are expected to drift upward through the remainder of this year. Problems with multi-family incentives should cause a significant slowing in starts in 1986. Permits remain unusually strong relative to starts, suggesting that builders are taking permits for multi-family units but will only hustle to build if tax reform possibilities increase.

Residential construction was surprisingly strong in July but is expected to slow modestly in August as a result of sluggish housing starts in recent months. The employment mix, however, does not confirm this slowing in residential activity. On the other hand, the surge in public construction must be nearing an end. Highway activity will begin trending downward in the months ahead, causing minimal gains for public construction from current levels. A spurt is expected for nonresidential construction in the next few months as an increase in orders is converted into spending gains during the late summer and fall. More significant slowing in nonresidential spending is expected in 1986, although orders do not yet suggest an actual downturn in construction activity at that time.

Business Activity - The manufacturing report showed a renewed decline in manufacturing inventories during July. Inventory liquidations in manufacturing may now have been completed. This probably is the major reason why manufacturing employment began strengthening in August. Further strengthening is suggested in the next few months.

Orders for durable goods in August are expected to rebound sharply as a result of two forces. First, increases in machinery employment suggest that orders also must be firming. Second, significant orders for the B1 bomber should be contained in the August report. Defense orders then should fall sharply in September, causing a significant decline in durable goods orders during that month.

The weakness in shipments for durable goods in July appears to be an abberation. Employment statistics suggest that shipments rebounded notably in August.

Although our projections for industrial production show only a moderate rebound in August, the same seasonal distortions which influence the employment report should be impacting the consumer goods production component of industrial production. As a result, industrial production will rebound more than 0.6% and capacity utilization will exceed 81%.

Prices - Food prices fell sharply in August and probably merely stabilized in September. At the same time, energy prices began falling again after seasonal adjustment. For that reason, inflationary pressures are expected to remain very modest into the fall. At some point, however, unusually sharp liquidations of animals should begin to put upward pressures upon meat prices. Our current anticipation is that meat prices will begin accelerating during the early months of 1986.

On the other hand, the dollar appears to remain unusually firm as prospects for increased economic activity develop. This will prevent the trade deficit from improving further from its unusually low July performance. Record trade deficits are possible again before the end of 1985.

FINANCIAL MARKETS

Now that manufacturing has completed its inventory liquidations, increasing short-term interest rates should be expected. Short-term interest rates have been prevented from rising by Federal Reserve accommodations. Recent rapid growth in the money stock has been difficult to interpret. Without any evidence that economic activity has been stimulated, the Federal Reserve has chosen to accommodate money demand. The recent spurt in production and consumer activity, especially in the latter half of August, has led to unusually rapid money growth. The Federal Reserve probably will continue modest accommodation through September. However, interest rates almost certainly will be trending upward even if the degree of increase is not anticipated to be great. Moreover, as the consumer once again backs away from the market toward the end of the year, Federal Reserve restraint will coincide with reduced money demand. The results will be a sharp slowing in the money stock late in 1985 and early in 1986. This reduced money growth along with a return to more sluggish economic growth will induce declines in interest rates by the middle of 1986.

Supply has been unusually dramatic for tax-exempt issues, causing the ratio of the bond buyer to corporate AAAs to rise in excess of .83. This ratio probably will rise slightly further in the next few months as interest rates gradually drift upward. However, a decline in tax-exempt rates then is anticipated after short-term interest rates begin declining.

Equity Markets - Improved prospects for economic activity in the next few months suggest the probability of one more spurt in equity values in the next few months. Our stock market formula now suggests that a serious attack upon the 1400 Dow Jones barrier is likely. Moreover, some of the machinery and technology issues, which appear to be ending their inventory liquidation phase, should perform especially well. On the other hand, consumer-based stocks and interest sensitive securities should be avoided. It now appears that the stock market has not peaked in the summer month but will reach its highest levels early in the fall. Equity values then are expected to drift modestly downward through much of 1986.

EMPLOYMENT

	Payroll Employment		Index of Hours Worked		Household Civilian Employment		Civilian Unemployment Rate		Hourly Earnings Index	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1985	97120	97120	115.6	115.6	106945	106945	7.3	7.3	164.8	164.8
May	97386	97421	116.2	116.2	106960	106960	7.3	7.3	165.0	164.9
June	97466	97473	116.5	116.3	106370	106370	7.3	7.3	165.4	165.7
July	97639	97722	116.8	115.9	106865	106862	7.3	7.3	165.9	165.5
August	97952	98010	117.0	116.7	107180	107172	7.3	7.0	166.4	165.5
September	98265	98068NR	117.3	116.5NR	107494	107324NR	7.3	7.3NR	166.8	166.4NR
October	98429	98235	117.6	116.7	107765	107522	7.2	7.3	167.4	166.9
November	98652	98417	117.9	116.9	108079	107769	7.2	7.2	168.0	167.4
December	98869	98625	118.1	117.1	108246	108041	7.2	7.2	168.7	167.8
January 1986	99027	98803	118.3	117.3	108453	108246	7.2	7.2	169.3	168.3
February	99196	99012	118.5	117.5	108689	108484	7.1	7.2	170.0	168.9
March	99311	99176	118.7	117.7	109237	108692	7.1	7.2	170.6	169.4
April	99507	99359	118.8	117.9	109534	108901	7.0	7.2	171.1	170.0
May	99648	99544	119.0	118.1	109475	109087	7.0	7.2	171.6	170.6
June	99798	99736	119.2	118.3	109107	109314	7.0	7.2	172.2	171.2
July	99943	99925	119.3	118.6	109771	109568	7.0	7.1	172.8	171.8
August	100126	100116	119.5	118.8	109969	109783	7.0	7.1	173.4	172.4
September	100336	100305	119.6	119.0	110062	110009	7.0	7.1	174.0	173.0

PERSONAL INCOME

	Personal Income		Wage & Salary		Personal Savings		Disposable Income		Personal Outlays	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1985	3.186	3.187	1.903	1.903	145.7	145.7	2.721	2.721	2.575	2.575
May	3.164	3.164	1.908	1.908	171.8	171.8	2.765	2.765	2.594	2.594
June	3.176	3.176	1.917	1.919	90.8	90.8	2.696	2.696	2.606	2.606
July	3.198	3.189	1.930	1.921	98.8	91.2	2.722	2.708	2.623	2.617
August	3.220	3.207*	1.942	1.932*	109.6	95.8*	2.744	2.725*	2.634	2.629*
September	3.243	3.221	1.953	1.941	118.9	86.9	2.765	2.736	2.646	2.649
October	3.261	3.239	1.964	1.951	115.4	95.4	2.778	2.750	2.663	2.655
November	3.280	3.257	1.975	1.961	115.5	93.5	2.792	2.765	2.677	2.672
December	3.300	3.278	1.986	1.970	107.3	91.1	2.803	2.782	2.696	2.691
January 1986	3.311	3.291	1.996	1.980	111.1	86.7	2.820	2.793	2.709	2.706
February	3.335	3.312	2.006	1.991	120.1	98.4	2.842	2.815	2.722	2.717
March	3.363	3.331	2.015	2.001	130.0	102.8	2.864	2.831	2.734	2.728
April	3.375	3.353	2.025	2.012	123.3	105.5	2.874	2.850	2.751	2.745
May	3.385	3.370	2.034	2.023	115.3	104.1	2.883	2.864	2.768	2.760
June	3.396	3.387	2.043	2.035	107.6	99.1	2.892	2.877	2.784	2.778
July	3.413	3.405	2.054	2.048	106.3	95.3	2.908	2.892	2.802	2.797
August	3.426	3.419	2.065	2.059	100.7	99.0	2.921	2.907	2.820	2.808
September	3.440	3.435	2.076	2.070	98.8	97.7	2.934	2.920	2.835	2.822

Fore. = August Forecast
C.E. = Current Expectations
* = This item and those beyond it are projections.
NR = Revisions were not made to reflect latest report.

CONSUMPTION

	Personal Consumption		Durables		Nondurables		Services		Consumption Real	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1985	2482.7	2482.7	341.0	341.0	894.1	894.1	1247.6	1247.6	1100.3	1100.3
May	2499.7	2499.7	342.7	342.7	891.2	891.2	1265.8	1265.8	1104.6	1104.6
June	2510.1	2510.1	336.2	336.2	892.1	892.1	1281.8	1281.8	1105.1	1105.1
July	2526.4	2520.5	339.6	338.8	898.4	893.0	1288.4	1288.7	1109.0	1107.6*
August	2536.2	2531.0*	340.9	339.4*	903.8	896.2*	1291.5	1295.4*	1110.9	1111.0
September	2546.6	2549.6	343.7	346.0	908.3	900.3	1294.6	1303.3	1113.5	1117.3
October	2561.5	2553.5	344.1	340.3	910.8	903.6	1306.6	1309.6	1116.1	1114.3
November	2573.6	2568.6	342.7	342.3	911.6	906.8	1319.3	1319.5	1117.5	1117.2
December	2591.1	2586.3	344.6	344.8	914.5	910.7	1332.0	1330.8	1121.2	1121.3
January 1986	2603.1	2600.5	345.5	346.6	916.9	914.2	1340.7	1339.7	1122.0	1124.1
February	2615.0	2609.7	346.3	344.6	919.7	916.5	1349.0	1348.6	1122.8	1123.9
March	2626.0	2620.2	346.2	342.2	922.5	921.1	1357.3	1356.9	1123.2	1124.3
April	2641.2	2635.0	345.5	341.9	927.6	925.9	1368.1	1365.8	1125.8	1126.0
May	2656.7	2648.9	345.6	343.3	932.5	930.7	1378.6	1374.9	1128.1	1128.4
June	2671.9	2665.4	346.0	345.4	937.4	935.5	1388.5	1384.5	1130.2	1131.8
July	2687.9	2682.9	346.8	346.5	943.7	941.2	1397.4	1395.2	1132.7	1135.1
August	2705.3	2693.0	348.1	343.7	949.0	944.3	1408.2	1405.0	1135.7	1134.6
September	3719.0	2706.1	348.5	343.5	951.6	947.8	1418.9	1414.8	1137.2	1135.9

RETAIL SALES

	Retail Sales		Non-Auto Durables		Auto (Million Units)		Nondurable Sales		Auto Sales	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1985	115.35	115.35	16.71	16.71	11.1	11.1	72.42	72.42	26.23	26.23
May	114.81	114.88	16.51	16.66	11.2	11.3	72.33	72.10	25.98	26.13
June	113.94	113.28	16.00	16.08	10.5	10.3	72.36	71.56	25.58	25.64
July	115.14	113.74	16.40	16.52	10.5	10.3	72.85	71.72	25.89	25.51
August	115.74	114.31*	16.46	16.57*	10.6	10.4*	73.29	71.98*	25.99	25.76*
September	116.45	115.46	16.59	16.50	10.7	10.9	73.65	72.31	26.21	26.65
October	116.71	115.01	16.87	16.63	10.4	10.3	73.86	72.57	25.98	25.81
November	116.60	115.52	16.80	16.69	10.5	10.3	73.92	72.83	25.88	26.00
December	117.07	116.14	16.71	16.83	10.7	10.4	74.16	73.14	26.20	26.17
January 1986	117.38	116.65	16.85	16.80	10.6	10.5	74.35	73.42	26.18	26.43
February	117.71	116.59	17.10	16.89	10.4	10.3	74.58	73.61	26.03	26.09
March	117.92	116.66	17.13	16.96	10.3	10.1	74.81	73.98	25.98	25.72
April	118.25	117.00	17.27	17.08	10.2	10.0	75.22	74.36	25.76	25.56
May	118.66	117.57	17.46	17.15	10.0	10.0	75.62	74.75	25.58	25.67
June	119.10	118.21	17.40	17.23	10.1	10.1	76.01	75.13	25.69	25.85
July	119.71	118.81	17.39	17.30	10.1	10.1	76.52	75.59	25.80	25.92
August	120.30	118.70	17.48	17.32	10.1	9.9	76.95	75.84	25.87	25.54
September	120.46	118.96	17.64	17.45	10.0	9.8	77.17	76.12	25.76	25.39

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CONSTRUCTION

	Housing Starts		Single Family Starts		Housing Permits		Construction Expenditures (Current)		Construction Expenditures (Real)	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1985	1.933	1.933	1.155	1.155	1.704	1.704	338.3	338.3	202.9	202.9
May	1.675	1.681	1.041	1.039	1.778	1.778	343.5	347.4	205.7	208.0
June	1.705	1.694	1.027	1.034	1.713	1.712	343.5	345.4	205.3	205.5
July	1.800	1.654	1.072	1.045	1.675	1.696	345.5	349.5	207.1	208.6
August	1.808	1.695*	1.095	1.070*	1.682	1.686*	348.7	350.5*	209.4	209.0*
September	1.793	1.736	1.118	1.093	1.661	1.653	352.7	353.5	211.5	210.3
October	1.806	1.754	1.126	1.107	1.668	1.661	353.5	355.4	211.4	210.9
November	1.792	1.742	1.132	1.123	1.643	1.635	355.8	357.9	212.3	211.8
December	1.777	1.741	1.117	1.135	1.629	1.611	358.2	359.2	213.1	211.9
January 1986	1.752	1.727	1.102	1.126	1.582	1.615	357.2	359.3	212.1	211.5
February	1.725	1.704	1.082	1.132	1.565	1.572	357.1	360.6	211.7	211.7
March	1.698	1.666	1.061	1.107	1.569	1.553	357.2	360.8	211.4	211.5
April	1.643	1.605	1.036	1.068	1.542	1.519	355.0	359.7	209.7	210.2
May	1.591	1.599	1.015	1.073	1.496	1.427	354.0	359.4	208.7	209.6
June	1.539	1.588	0.994	1.080	1.483	1.432	352.9	358.8	207.7	208.7
July	1.535	1.589	0.982	1.093	1.442	1.445	351.8	357.9	206.6	207.8
August	1.553	1.619	0.985	1.123	1.435	1.456	350.0	358.1	205.2	207.5
September	1.565	1.618	1.012	1.115	1.443	1.473	348.9	359.0	204.2	207.5

	Non-Residential		Public Construction		Residential Construction	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1985	134.5	134.5	59.3	59.3	144.5	144.5
May	135.7	132.6	61.0	63.7	146.8	151.1
June	135.0	129.9	60.9	64.8	147.6	150.7
July	138.1	130.2	59.9	66.1	147.5	153.2
August	141.4	133.4*	59.0	65.3*	148.3	151.8*
September	144.7	135.2	59.0	65.7	149.0	152.6
October	143.7	136.7	59.7	66.2	150.1	152.5
November	144.3	137.8	60.3	65.9	151.2	154.2
December	145.0	139.4	60.9	65.5	152.3	154.3
January 1986	145.8	141.1	60.5	65.2	150.9	153.0
February	146.6	141.9	60.7	66.1	149.8	152.6
March	147.3	142.6	61.0	66.4	148.9	151.8
April	148.0	142.5	60.5	67.2	146.5	150.0
May	148.7	143.6	61.0	67.3	144.3	148.5
June	149.3	144.8	61.4	67.5	142.2	146.5
July	150.0	145.5	61.5	67.2	140.3	145.2
August	150.3	145.9	61.7	67.1	138.0	145.1
September	150.2	146.4	61.7	67.4	137.0	145.2

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BUSINESS ACTIVITY

	Manufacturers' Inventories		Durable Goods Orders		Non-Defense Capital Goods Orders		Non-Defense Capital Shipments	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1985	286.0	286.0	99.73	99.84	25.41	25.46	27.26	27.10
May	285.0	284.9	103.03	102.97	25.64	25.59	26.98	26.81
June	285.0	285.7	104.85	106.78	27.40	27.98	27.00	27.48
July	285.4	285.2	103.05	104.36	26.93	26.47	27.16	26.77
August	286.0	285.7*	104.96	106.03*	27.45	27.02*	27.33	27.06*
September	286.7	286.3	103.82	103.17	27.62	27.36	27.50	27.23
October	287.8	286.9	103.56	105.42	27.55	27.25	27.65	27.39
November	288.7	287.6	104.73	104.63	27.82	27.68	27.85	27.51
December	289.6	288.5	104.25	105.27	27.83	27.61	28.04	27.56
January 1986	290.3	289.1	104.17	103.68	27.54	26.82	28.10	27.50
February	291.5	290.2	103.28	104.43	27.59	26.80	28.00	27.41
March	292.8	291.5	105.43	106.08	28.12	27.13	28.09	27.48
April	294.0	292.8	104.81	107.73	28.10	27.51	28.18	27.62
May	295.3	294.1	105.36	107.92	28.42	27.59	28.27	27.75
June	296.8	295.7	105.15	108.52	28.40	27.46	28.35	27.83
July	298.1	297.3	105.72	106.65	28.63	27.25	28.44	27.72
August	299.5	298.9	105.07	105.47	28.55	27.02	28.52	27.54
September	300.5	300.3	104.96	105.93	28.46	27.27	28.60	27.57

	Business Inventories		Defense Shipments		Industrial Production		Capacity Utilization	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1985	580.2	580.2	6.38	6.35	124.3	124.1	80.9	80.8
May	577.9	577.8	6.59	6.58	124.4	124.3	80.8	80.8
June	577.9	579.8	7.07	7.22	124.6	124.7	80.7	80.8
July	578.8	579.6*	7.00	6.85	124.8	124.9	80.7	80.8
August	580.3	580.1	7.03	7.01*	125.2	125.3*	80.7	80.9*
September	581.5	581.4	7.07	7.09	125.6	125.6	80.8	80.9
October	583.2	583.0	7.15	7.22	126.2	125.9	81.0	80.9
November	585.1	584.4	7.28	7.16	126.9	126.2	81.3	81.0
December	586.9	586.0	7.42	7.29	127.4	126.5	81.4	81.0
January 1986	589.2	587.2	7.53	7.38	127.4	126.9	81.1	81.0
February	592.0	589.8	7.63	7.45	127.5	127.1	81.0	81.0
March	594.2	592.7	7.75	7.56	127.5	127.3	80.7	81.0
April	596.7	595.3	7.84	7.71	127.6	127.6	80.6	81.1
May	599.3	597.9	7.93	7.73	127.7	127.9	80.5	81.2
June	601.3	601.6	8.01	7.92	127.8	128.2	80.3	81.2
July	603.4	605.3	8.15	8.03	127.8	128.5	80.1	81.3
August	605.9	608.6	8.22	8.19	127.9	128.8	80.0	81.3
September	607.8	611.5	8.30	8.26	128.0	128.9	79.9	81.1

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MISCELLANEOUS

	Merchandise Trade Balance		Leading Indicators		Estimated GNP		Estimated GNP (1972 $)		IVA (annual rate)	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1985	-11.85	-11.85	166.6	166.9	3842	3842	1669	1669	-1.0	-2.6
May	-12.67	-12.67	167.8	167.4	3853	3853	1671	1672	0.3	0.2
June	-10.99	-13.42	168.5	168.0	3871	3871	1675	1674	4.9	2.6
July	-11.46	-10.51	169.2	168.7	3890	3884	1679	1676	2.2	2.9
August	-12.96	-11.90	169.6	169.4*	3912	3905	1683	1682	0.7	4.2
September	-12.95	-12.36	169.3	170.0	3937	3933	1688	1688	1.3	3.1
October	-13.08	-12.76	169.0	169.6	3964	3960	1695	1694	-0.7	0.9
November	-13.17	-13.14	168.4	169.3	3986	3979	1701	1697	-3.4	0.5
December	-12.27	-13.28	168.6	169.5	4008	4011	1706	1704	-6.0	-1.2
January 1986	-13.08	-13.29	168.9	169.6	4027	4031	1707	1707	-6.2	-1.7
February	-12.96	-13.17	169.3	169.4	4052	4055	1711	1711	-6.9	-2.4
March	-12.88	-12.86	168.8	169.0	4076	4075	1714	1713	-5.8	-2.9
April	-13.02	-12.89	168.9	169.4	4089	4089	1714	1712	-3.1	-3.8
May	-12.99	-12.82	168.2	168.1	4107	4105	1716	1713	-0.8	-3.0
June	-12.87	-12.61	167.3	168.3	4124	4134	1717	1719	-1.1	-3.9
July	-12.66	-12.43	167.5	168.2	4145	4153	1719	1721	-4.3	-4.8
August	-12.29	-12.28	167.8	168.0	4167	4165	1722	1719	-5.6	-6.1
September	-12.08	-12.21	168.4	168.5	4190	4181	1724	1719	-6.2	-6.4

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PRICES

	CPI-U (seasonally adjusted)		PPI Finished Goods (seasonally adjusted)		PPI-Industrial Commodities (unadjusted)		Estimated GNP Deflator	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1985	320.4	320.4	293.6	293.6	323.8	323.8	230.23	230.17
May	321.1	321.1	294.2	294.2	325.3	325.3	230.60	230.43
June	321.8	321.8	294.2	294.2	325.2	325.2	231.12	231.25
July	322.6	322.4	294.5	294.8	325.2	324.2	231.75	231.69
August	323.3	322.7*	294.3	294.5*	324.9	324.2*	232.41	232.20
September	324.0	323.3	294.1	294.3	324.0	322.3	233.22	233.05
October	325.0	324.7	294.8	295.0	325.7	324.6	233.84	233.84
November	326.2	325.7	295.3	295.2	326.2	325.0	234.35	234.58
December	327.4	326.8	295.4	295.1	326.6	325.6	234.98	235.36
January 1986	328.6	327.7	296.4	295.6	327.3	326.1	235.90	236.18
February	329.8	329.0	297.2	296.0	328.0	326.9	236.86	237.02
March	331.0	330.1	298.0	296.6	328.7	327.8	237.81	237.84
April	332.5	331.5	298.6	297.1	329.3	328.5	238.54	238.86
May	344.0	332.6	299.1	297.8	329.6	329.3	239.39	239.62
June	335.4	333.7	299.7	298.4	329.9	329.9	240.23	240.44
July	336.3	334.9	300.5	299.1	330.5	330.7	241.11	241.33
August	337.2	336.2	301.6	299.9	332.3	331.5	242.05	242.29
September	338.2	337.5	301.5	300.5	331.1	330.2	242.98	243.17

	Consumption Deflator		Consumer Durables		Consumer Nondurables		Consumer Services		Implicit Construction Deflator	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1985	225.6	225.6	179.2	179.2	221.1	221.1	246.6	246.7	166.7	166.7
May	226.3	226.3	178.5	178.3	221.3	221.1	248.3	248.5	167.0	167.0
June	227.3	227.1	178.1	178.4	220.9	221.1	250.0	249.8	167.3	168.1
July	227.8	227.6*	178.6	178.6*	221.4	220.9*	250.8	250.9*	166.8	167.5
August	228.3	227.8	179.4	178.6	221.9	220.6	251.6	251.7	166.5	167.7*
September	228.7	228.2	180.1	178.5	222.3	220.7	252.4	252.8	166.8	168.1
October	229.5	229.2	180.3	179.3	222.4	221.0	253.6	254.0	167.2	168.5
November	230.3	229.9	180.2	179.8	222.5	221.4	254.8	255.1	167.6	169.0
December	231.1	230.7	180.4	180.3	222.8	221.7	256.0	256.3	168.1	169.5
January 1986	232.0	231.3	180.8	180.5	223.5	222.2	257.1	257.3	168.4	169.9
February	232.9	232.2	181.1	180.8	224.7	222.8	258.2	258.4	168.7	170.3
March	233.8	233.0	181.4	181.1	225.9	223.3	259.3	259.5	169.0	170.6
April	234.6	234.0	181.7	181.3	226.2	223.9	260.6	260.7	169.3	171.1
May	235.5	234.7	181.9	181.6	226.6	224.6	261.8	261.9	169.6	171.5
June	236.4	235.5	182.2	182.0	227.0	225.1	263.0	263.0	169.9	171.9
July	237.3	236.4	182.7	182.4	227.8	225.8	264.2	264.1	170.3	172.2
August	238.2	237.3	183.0	182.7	228.7	226.5	265.4	265.3	170.6	172.6
September	239.1	238.2	183.3	183.0	229.6	227.1	266.6	266.5	170.9	173.0

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